



VOLUME 1, ISSUE 5 • FALL 2004

Special Points Of Interest:

**Drs. Enayat Osanloo, Gregory Kozeny,
Hsien-Ta Fang & Dennis DiCampli**

Welcome their new partner

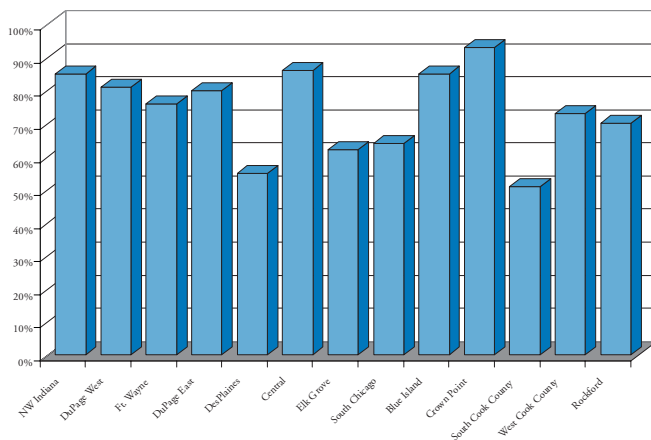
David J. Schlieben, MD

In the Naperville Office

Let us know about points of interest by sending an email to
newsletter@nephdocs.com

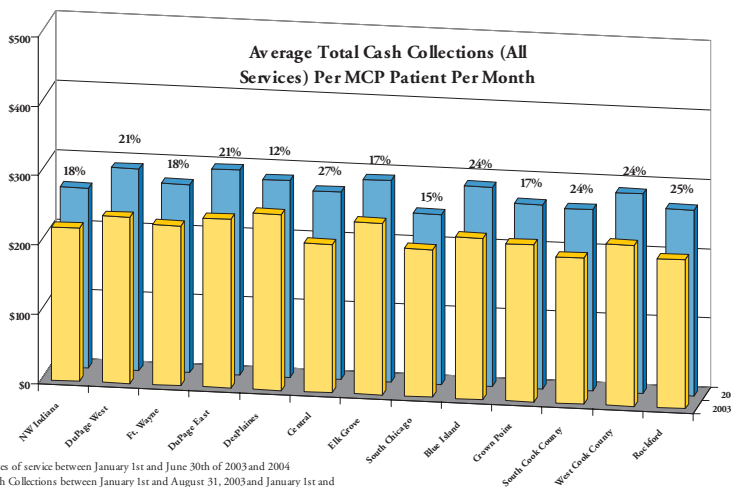
MCP Revenue up Twenty Percent!

Frequency of 4+ MCP Visits Billed - January to June 2004



Note: Includes only Medicare and Private Pay Patients

Average Total Cash Collections (All Services) Per MCP Patient Per Month



*Dates of service between January 1st and June 30th of 2003 and 2004
*Cash Collections between January 1st and August 31, 2003 and January 1st and August 31, 2004

The year 2004 has proven that change can be good...very good for Nephrology practices. NANI has seen a twenty-percent increase to our bottom line for Dialysis Patient revenue. The graph below (Average Total Cash Collections) represents all cash collections for Dialysis patients during the time period indicated (Medicare and Commercial Pay only).

**MORE PATIENT VISITS
INCREASE REVENUE FOR
DIALYSIS PHYSICIANS**

Almost three-quarters of the way through the first year with the new MCP billing guidelines NANI practices are finding that more visits really pay off. Regions that consistently see their dialysis patients four times and document a comprehensive exam have seen the greatest revenue growth in this area (see graph Frequency of 4+ Visits Billed). The Central and Blue Island practices have seen 27% and 24% increases in revenue respectively.

We should note that although the Medicare fee schedule allowable for 4+ visits is greater than previous reimbursement for a full month of MCP service, this is not the only reason for the improved bottom line. Hospital visits and in-patient dialysis charges as well as modality changes mid-month are now considered and paid by payors along with MCP charges.

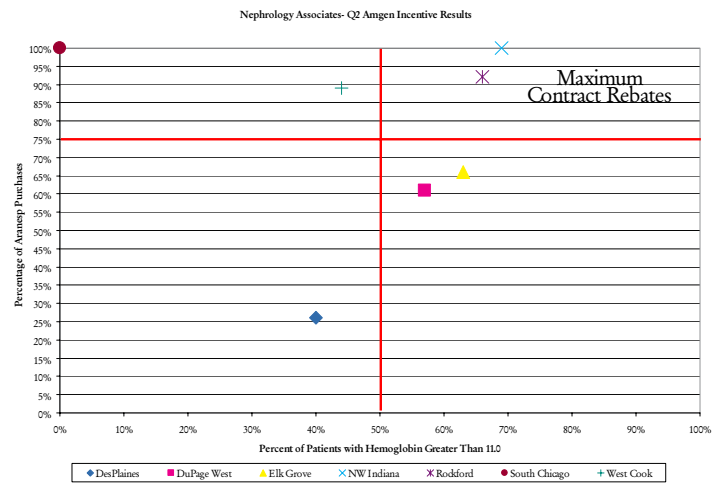
NANI has seen growth in reimbursement from our commercial insurance since most follow Medicare payment guidelines, although not all payors recognized the new "G" codes. The business office is diligently working our accounts through an appeal process. Indiana EDS will begin accepting the "G" codes on September 15th. The only major payor not yet considering the codes is Illinois Public Aid (primary).

First Quarter Results Are In!

Key components of the Aranesp Contract add revenue to the NANI bottom line.

In April 2004 the NANI Board of Directors approved a recommendation to standardize the care of pre-dialysis patients accepting Aranesp as the preferred agent for treating Anemia. In conjunction with this recommendation the board signed a contract with Amgen enabling

imum rebate in the first quarter. Those reasons include, rollout of the contract to the practice was mid-quarter, timing transition of patients from Procrit to Aranesp, SingleJect syringes were not available in all doses until June, the DesPlaines practice achieved only 4% market-share in the first quarter. Lost rebate opportunity in the first quarter was **\$31,314.96**.



NANI to take advantage of supplier discounts and product rebates, potentially adding to our bottom line.

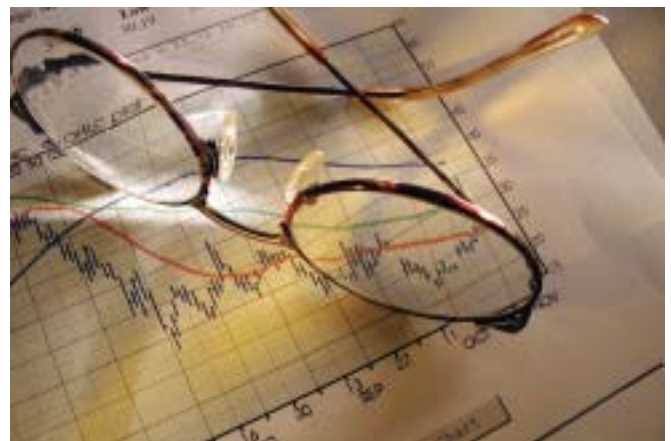
At the end of the first contract quarter (March – May) our invoice purchases for EPO totaled \$377,875.37. Of that our Aranesp purchases totaled \$240,309.72. We achieved a market share of **63.59%** creating a rebate of **\$16,851.84**. Practice wide purchases of SingleJect pre-filled syringes added another 2% or **\$2,388.00**. A total backend rebate of \$19,240.58 and off invoice discount \$26,748.96 (10%) were achieved adding \$45,989.00 to our bottom line.

Looking forward, NANI has projected the maximum market share rebate for the second quarter. Metro Medical has been instructed to ship only SingleJect pre-filled syringes and NANI Corporate is collecting and submitting necessary practice information to Amgen directly (see insert). Amgen modified the market share calculation to include scripts written for patients who self inject the medication, this will increase participation for practices with a high percent of Medicaid and HMO patients. An expected quarter 2 rebate of approximately \$62,500 should be received in late November.

Through our contract with Amgen we achieve the highest level of rebate when our market share reaches 75% of EPO purchases/scripts written for Aranesp. No rebates are achieved for market share of less than 40%.

Distribution of the rebate will be done based on practice participation, level of market share achieved by the practice and the purchase contribution (for SingleJect).

For several reasons NANI was not able to reach the max-



MEMO: TRANSIENT PATIENT BILLING UPDATES

In a memo released by FMC to their Medical Directors dated 7/2/04, it was stated that the code to use when billing MCP transient dialysis patients was the unlisted procedure code 90999. This was misleading information. In August 2003 Medicare reclassified code 90935 to include both inpatient and outpatient services.

In a follow up memo from FMC dated 7/12/04 they advised that after additional contact with Medicare the correct code

to use for MCP transient patient billing is 90935.

We would like to assure all our physicians that NANI has used code 90935 for MCP transient dialysis patient visits since January 2004 and have not encountered any problems with reimbursement for these services.

If you have questions about coding or billing please do not hesitate to contact Roz Tooman, Billing Manager.

Billing [Nursing] Home Dialysis Patients

In a recent article published by *Nephrology News & Issues* ([Home Dialysis Time to Revisit the Opportunity](#)/ September 2004) author Anthony Messina thought it was time to review some of the issues related to Home Dialysis and reimbursement. NANI would like to clarify documentation and billing for Nursing Home patients.

Patients receiving dialysis in their residence (private residence or nursing home) are billed as they were in previous years, either as a full or partial month. The 2004 codes for

this are G0323 (monthly) and G0327 (daily) the codes do not differentiate patient modality in this situation. Continue to note all hospitalizations and absences from treatment on your MCP card or documentation. Medicare does not require face-to-face interaction with the patient only clinically appropriate care to manage the home dialysis patient.

If the patient is transported to a state certified/licensed dialysis facility the MCP codes/guidelines apply for the 1-4 visits, requiring a comprehensive visit, even if the "unit" is on the same premises as the residence.

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For information about logging in review your Spring issue of NANI Today or call the Employee Service Center at 800-554-1802.

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View My Paycheck: Say goodbye to the paycheck paper chase! Click on the My Paycheck link to view your current paycheck details, including gross pay, net pay, deductions and withholdings. You can also view your paycheck history, a convenient financial planning resource. The features you want, the flexibility you need, the perks you deserve.

www.adptotalsource.com

IT HELP DESK

The Technology Department is pleased to announce that there will be a help desk effective September 1st. The service desk is being implemented so NANI can monitor and manage the volume of service calls coming into the Technology Department.

Our help desk software is designed to keep track of incoming service calls from the physician offices as well as at the business office, maintain inventory and much more. Problems associated with Micromed, network and hardware, phone or pager issues or any other technology related issues should be directed to Sandra Biringer 708.492.4534. She will be handling all calls, entering the information in the system and directing them to the appropriate technician for further assistance.

We are sure that this new service will work great at NANI, allowing office staff the assurance that their calls have been addressed.



NEPHROLOGY ASSOCIATES OF NORTHERN ILLINOIS/INDIANA

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PHONE: 708.386.1000 • FAX: 708.386.2878

NANI Today is Edited By Kelly McDonald

Coming Attractions & Events

NANI BOARD MEETINGS 2004

NANI Board Meetings will be held quarterly in the Madison Street office at 4:00 p.m on the following dates:

Wednesday September 29

Wednesday December 22

PHYSICIAN PRACTICE MEETINGS

Monday September 27th

All NANI Illinois Physicians are invited to attend an ISMIE Malpractice Risk Management Seminar. The seminar will take approximately 3 hours. Participants will receive a rebate off their malpractice premium and earn CME credits. Please RSVP to Kelly McDonald (708) 492-4531

NANI COMPLIANCE/ BILLING TRAINING MEETING

Office managers and billers are requested to attend the next meeting on Friday, September 24th 9:00 a.m. at the Oak Park Business Office.

Please call to confirm your attendance to Carrie Fontenot (708) 492-4076

HOLIDAY CELEBRATION

NANI physicians and spouses are invited to attend a holiday celebration on Friday, December 10th. Invitations will be sent.

Odds & Ends

PLEASE WELCOME.....

Tunya Sykes, Clerical Support/Provider Relations
(Business Office)

Charity Joy Brown, Receptionist/Clerk
(Jackson Park Office)

HOW TO REACH US.....

Danielle Normand is now located in the:
Accounting Department (Business Office)

Marquita Sanders is now located in the:
Billing Department (Business Office)/Team 2

WE WILL MISS YOU.....

Angela Brady, Account Representative (Business Office) -
Angela moved to Texas in August to be with her
mother and family.

Agatha Ritter, Senior Accountant (Business Office) -
Agatha will be attending graduate school at
Northwestern University this fall.

401K Corner: U.S. Economy

A summary of the U.S. economy as reported by State Street Research for September 2004.

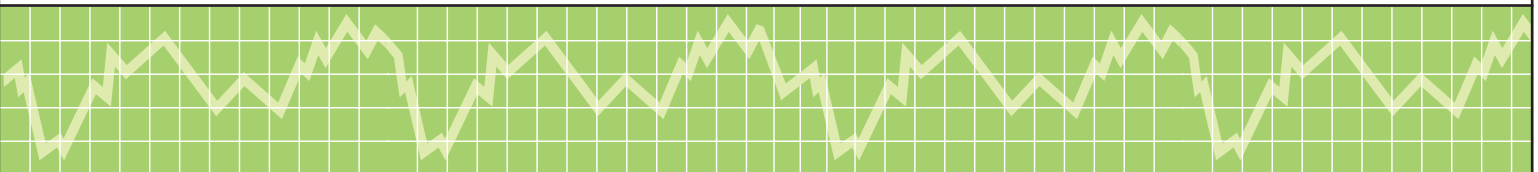
"The U.S. economy slowed somewhat with a 3% annualized real rate for the second quarter and GDP expected to be 3.5% for the remainder of the year. Factors contributing to this slowdown include energy price headwinds, diminished fiscal stimulus, the threat of terrorism and higher interest rates. Additional economic indicators have shown weakness during the month.

Employment growth was significantly weaker than expected, coupled with a decrease in consumer spending and confidence.

Non-farm payrolls increased by 32,000 in July, the slowest job growth of the year. However, business investment spending has remained strong and should continue to be the economy's

engine for growth for the remainder of 2004. In addition, solid gains in productivity continue to boost corporate profits. The Federal Reserve raised the fed funds target rate to 1.5% (25 basis points higher) on August 10. We expect that the Fed will continue to gradually increase rates for the remainder of this year and that core inflation will rise only modestly. CPI (year-over-year) rose 1.8% for the month of July. Risks to U.S. economic growth continue to include potential energy-supply shocks, a sharp deceleration in economic growth in China and the possibility of unexpected geopolitical events."

Please call Steve Juley at 773-864-8757 for a confidential portfolio review.



ONLY ARANESP PRE-FILLED SYRINGES IN YOUR OFFICE

ARANESP ORDER INFORMATION

Product Information & Description

Metro Medical Ordering Numbers

NDC #	DESCRIPTION	PACK QUANTITY	METRO MEDICAL #
SingleJect Prefilled Syringes			
55513-058-04	25 mcg; 0.4 mL single use syringe	4 syringes	856225
55513-037-04	40 mcg; 0.4 mL single use syringe	4 syringes	856229
55513-039-04	60 mcg; 0.3 mL single use syringe	4 syringes	856230
55513-041-04	100 mcg; 0.5 mL single use syringe	4 syringes	856234
55513-043-04	150 mcg; 0.3 mL single use syringe	4 syringes	856237
55513-044-01	200 mcg; 0.4 mL single use syringe	1 syringe	856235
55515-046-01	300 mcg; 0.6 mL single use syringe	1 syringe	856236

Contact Metro Medical for all supplies (800) 768-2002

ARANESP UPDATE – Tracking Aranesp vs Procrit Data in your office

If your office is administering EPO to your patients in the office, you are required to furnish Amgen with data each month to qualify for a bonus under our contract. As of June the NANI business office is gathering and submitting data for your practice. This should guarantee that our group will qualify for that portion of the bonus! All you have to do is complete your billing the close of billing each month.

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55513-041-04	100 mcg; 0.5 mL single use syringe	4 syringes	856234
55513-043-04	150 mcg; 0.3 mL single use syringe	4 syringes	856237
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First Quarter March 2004 to May 2004 Total Rebate \$19,240.58

	Actual	Max Contract
Total Reported Gross Purchases	267,489.60	267,489.60
Current Off-Invoice Rebate	26,748.96	26,748.96
Percent of Gross Purchases	10.00%	10.00%
Net Purchases	240,740.64	240,740.64

Market Share Rebate - Net Purchases

Low%	High%	Rebate %	
75.00%	--Over--	17.00%	40,925.91
65.00%	74.99%	12.00%	
50.00%	64.99%	7.00%	16,851.84
30.00%	49.99%	3.00%	
0.00%	29.99%	0.00%	

Additional Rebate Tier - Net Purchases

Aranesp SingleJect Sales	119,436.66	2.00%	2,388.73	4,814.81
Hemoglobin Outcomes Rebate		2.00%	-	4,814.81

Total Back End Rebate	\$ 19,240.58	50,555.53
Percent of Net Purchases	7.99%	21.00%
Total Rebate Percentage	17.99%	31.00%

Total Lost Rebate Opportunity (\$31,314.96)

Allocation of Rebate by Participating Region

	Market Share	Single Ject	Total
DesPlaines	- 4%	32.37	32.37
DuPage West	599.91 45%	613.70	1,213.61
Elk Grove	1,895.08 64%	658.21	2,553.29
NW Indiana	1,722.80 64%	755.33	2,478.13
Rockford	10,811.04 95%	-	10,811.04
South Chicago	- 0%	-	-
West Cook	1,823.01 82%	329.13	2,152.14
Total	16,851.84 63.59%	2,388.74	\$ 19,240.58

Second Quarter June 2004 to August 2004 - Projected \$62,505.45

	Actual	Max Contract
Total Reported Gross Purchases	370,096.67	370,096.67
Current Off-Invoice Rebate	37,009.67	37,009.67
Percent of Gross Purchases	10.00%	10.00%
Net Purchases	333,087.00	333,087.00

Market Share Rebate - Net Purchases

Low%	High%	Rebate %	
75.00%	--Over--	17.00%	56,624.79
65.00%	74.99%	12.00%	
50.00%	64.99%	7.00%	
30.00%	49.99%	3.00%	
0.00%	29.99%	0.00%	

Additional Rebate Tier - Net Purchases

Aranesp SingleJect Sales	294,032.88	2.00%	5,880.66	6,661.74
Hemoglobin Outcomes Rebate		2.00%	-	6,661.74

Total Back End Rebate - Projected	\$ 62,505.45	69,948.27
Percent of Net Purchases	18.77%	21.00%
Total Rebate Percentage	28.77%	31.00%

Total Lost Rebate Opportunity (\$7,442.82)

Allocation of Rebate by Participating Region

	Market Share	Single Ject	Total
DesPlaines	- 26%	224.08	224.08
DuPage West	2,570.45 61%	666.49	3,236.94
Elk Grove	6,565.41 66%	657.87	7,223.28
NW Indiana	16,790.23 100%	1,792.63	18,582.86
Rockford	19,023.88 92%	1,341.63	20,365.51
South Chicago	4,036.11 100%	430.92	4,467.03
West Cook	7,638.71 89%	767.04	8,405.75
Total	56,624.79 79.74%	5,880.66	\$ 62,505.45